

Message Text

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ACTION EUR-12

INFO OCT-01 NEA-10 ISO-00 AID-05 CEA-01 CIAE-00
COME-00 EB-07 EA-07 FRB-03 INR-07 IO-13 NSAE-00
USIA-06 OPIC-03 SP-02 TRSE-00 LAB-04 EPG-02
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FM AMEMBASSY MOSCOW
TO SECSTATE WASHDC 7892
INFO USINT BAGHDAD
AMEMBASSY BELGRADE
AMEMBASSY BERLIN
USMISSION BERLIN
AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY BUCHAREST
AMEMBASSY BUDAPEST
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AMCONSUL FRANKFURT
AMEMBASSY LONDON
USMISSION NATO
AMEMBASSY PARIS
AMEMBASSY PRAGUE
AMEMBASSY SOFIA
AMEMBASSY WARSAW

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SUBJECT: SOVIET TRADE STATISTICS FOR FIRST QUARTER 1977

SUMMARY: FIRST QUARTER TRADE STATISTICS SHOW THE USSR
EXPANDING ITS POSITIVE TRADE BALANCE WITH OTHER CEMA
STATES, PRESUMABLY THROUGH HIGHER PRICES FOR SOVIET OIL.
THERE WAS NO SPECIAL INCREASE IN EXPORTS TO POLAND, AS
MIGHT HAVE BEEN EXPECTED FOLLOWING LAST NOVEMBER'S

CELEBRATED "LOAN". THE TRADE BALANCE WITH THE WEST REMAINED IN BROAD DISEQUILIBRIUM, IF SOMEWHAT REDUCED FROM 1976, DESPITE AN APPARENT SWITCH FROM AGRICULTURAL TO INDUSTRIAL IMPORTS. EXPORTS TO LDC'S WENT UP MARKEDLY, PERHAPS AS A CONSEQUENCE OF A SHIFT AWAY FROM TRADE WITH THESE COUNTRIES IN CLEARING ACCOUNTS. END SUMMARY.

1. SOVIET FOREIGN TRADE STATISTICS FOR JANUARY-MARCH 1977 GIVE THE USSR AN INCREASED SURPLUS WITH "SOCIALIST" COUNTRIES AND A REDUCED DEFICIT WITH INDUSTRIAL WESTERN NATIONS COMPARED WITH FIRST-QUARTER 1976. THE SURPLUS WITH THE "SOCIALIST" GROUP WAS 564.9 MILLION RUBLES (\$762.6 MILLION AT THE OFFICIAL EXCHANGE RATE OF \$1.00 EQUALS .743 RUBLES) AND THE DEFICIT WITH INDUSTRIAL STATES WAS 1,298.6 MILLION RUBLES (\$1,753.1 MILLION). THE DATA, PUBLISHED BY COUNTRY IN THE MOST RECENT ISSUES OF FOREIGN TRADE AND GIVING NO COMMODITY INFORMATION, ALSO PUT THE SOVIET TRADE SURPLUS WITH DEVELOPING COUNTRIES AT 315.3 MILLION RUBLES (\$425.7 MILLION). COMPARED WITH STATISTICS FOR JANUARY-MARCH 1976, THE SOVIET SURPLUS WITH "SOCIALIST" COUNTRIES ROSE 10 TIMES FROM 51.4 MILLION RUBLES. ITS DEFICIT WITH INDUSTRIAL NATIONS DECREASED BY 8 PERCENT FROM 1,299.6 MILLION RUBLES.

2. IMPROVEMENT IN SOVIET TRADE WITH COMMUNIST COUNTRIES WAS DUE PRIMARILY TO GROWTH IN THE VALUE OF EXPORTS TO FOUR CEMA COUNTRIES. THE TOTAL SURPLUS WITH CZECHOSLOVAKIA, THE GDR, HUNGARY AND POLAND COMPARED WITH THE JANUARY-MARCH 1976 PERIOD ROSE BY 383 MILLION RUBLES. INCREASED PRICES OF SOVIET OIL EXPORTS ARE PRESUMABLY THE LEADING LIMITED OFFICIAL USE

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CAUSE FOR THE JUMP IN SOVIET RECEIPTS; STATISTICS SHOWED NO SPECIAL INCREASE IN SOVIET EXPORTS TO POLAND DESPITE WIDE-SPREAD DISCUSSION OF SOVIET "LOAN" IN LATE 1976 TO POLAND.

3. CHANGES IN SOVIET TRADE WITH INDUSTRIAL AND DEVELOPING COUNTRIES WERE DETERMINED PARTLY BY A REDUCTION IN SOVIET IMPORTS. THE USSR'S DEFICIT WITH THE US DECREASED BETWEEN THE FIRST QUARTERS OF 1976 AND 1977 BY 188.7 MILLION RUBLES (\$255 MILLION). THIS WAS DUE PRIMARILY TO REDUCED GRAIN AND OTHER AGRICULTURAL IMPORTS. SIGNIFICANTLY SMALLER DEFICITS WITH THE INDUSTRIAL NATIONS CANADA AND AUSTRALIA AND WITH THE DEVELOPING COUNTRIES BRAZIL AND ARGENTINA WERE ALSO THE RESULT OF REDUCED SOVIET PURCHASES OF AGRICULTURAL PRODUCTS. AMONG OTHER INDUSTRIAL STATES THE SOVIETS SUFFERED INCREASED DEFICITS WITH THE FRG, FRANCE AND JAPAN WHILE MOVING INTO A SURPLUS WITH ITALY AND SPAIN. IN TRADE WITH OTHER DEVELOPING COUNTRIES THE USSR ACHIEVED A SURPLUS WITH EGYPT BUT FELL INTO DEFICIT WITH IRAQ. ITS DEFICIT WITH GHANA GREW SUBSTANTIALLY.

4. COMMENT: SOVIET FIGURES ON TRADE WITH FRANCE SHOW A WIDE DISCREPANCY FROM FRENCH FIGURES REPORTED SEPARATELY, WITH ONLY A THREE PERCENT INCREASE IN FRENCH EXPORTS, ACCORDING TO SOVIET STATISTICS.

FIGURES FOR THE FRG ALSO DO NOT ACCORD WITH WEST GERMAN REPORTS THAT TRADE HAS BEEN LAGGING IN THE FIRST QUARTER OF 1977. ALTHOUGH ANALYSIS OF STATISTICS FOR ONLY THREE MONTHS IS NOTORIOUSLY RISKY, THE NUMBERS SUGGEST THAT THE INDUSTRIALIZED EAST EUROPEAN COUNTRIES HAVE NOT YET FOUND A WAY TO BALANCE THE HIGHER PRICE THEY ARE NOW PAYING FOR SOVIET OIL. SOVIET STATISTICS FOR TRADE WITH US SHOW SOMEWHAT HIGHER SOVIET EXPORTS THAN DO COMPARABLE US FIGURES. (PERHAPS IT WOULD BE AS WELL TO US SOVIET STATISTICS IN JOINT COMMERCIAL COMMISSION SESSION.)
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Message Attributes

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Disposition Approved on Date:
Disposition Case Number: n/a
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